

## Message Text

UNCLASSIFIED

PAGE 01 NEW DE 12847 131350Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 INT-05 EB-08 AID-05 OMB-01  
TRSE-00 CIAE-00 INR-07 NSAE-00 NEAE-00 /049 W  
-----075422 131400Z /43

P R 131235Z SEP 77  
FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC PRIORITY 6032  
INFO USDOC WASHDC  
AMEMBASSY VIENNA  
AMCONSUL BOMBAY  
AMCONSUL CALCUTTA  
AMCONSUL MADRAS

UNCLAS NEW DELHI 12847

DEPT. PLEASE PASS TO USBURMINES

E.O. 11652: N/A  
TAGS: EMIN,IN,UNIDO  
SUBJECT: GOI PICKS LURGI FOR SPONGE IRON PROJECT

REF: NEW DELHI 11986

1. WE HAVE CONFIRMED WITH THE MINISTRY OF STEEL AND MINES,  
THAT THE GOI HAS SELECTED THE LURGI PROCESS TECHNOLOGY OVER THAT  
OF ALLIS CHALMERS (AC) FOR THE 30,000 TON UNDP/UNIDO SUPPORTED  
SPONGE IRON DEMONSTRATION PLANT TO BE SET UP IN ANDHRA PRADESH.  
WE WERE TOLD BY LURGI REP THAT THE GOI HAD INFORMED THEIR COMPANY  
ON SEPTEMBER 9 OF THIS DECISION ALTHOUGH THIS INFORMATION HAD  
NOT BEEN OFFICIALLY CONVEYED TO ALLIS CHALMERS AS OF SEPTEMBER  
12. HOWEVER, AC HAS BEEN SUBSEQUENTLY INFORMED THROUGH UNIDO.

2. THE ONLY INDIAN PRESS REFERERENCE TO THIS AWARD SO FAR APPEARED  
IN THE SEPTEMBER 11 EDITION OF THE CALCUTTA BUSINESS  
STANDARD(BS) WHICH CONTAINS A BRIEF ARTICLE ON THE PROJECT'S  
"CLEARANCE" BY THE GOI AND LURGI'S SELECTION FOR THE TECHNICAL  
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COLLABORATION. ALTHOUGH THE BS IMPLIES THAT LURGI'S TECHNOLOGY  
HAD BEEN FAVORED ALL ALONG BY TECHNICAL EXPERTS AND THE PLANNING  
COMMISSION, WE KNOW FOR CERTAIN THAT UNTIL JUNE OF  
THIS YEAR UNIDO AND GOI TECHNICAL COMMITTEES ESTABLISHED TO  
EVALUATE THE TWO PROCESSES HAD RECOMMENDED AC.

3. ACCORDING TO THE BS, TOTAL COST OF THE PROJECT IS PLACED AT

RS 110 MILLION (DOLS 12.5MILLION) WITH AN EQUITY CAPITAL OF RS 45 MILLION (DOLS 5 MILLION). THE STEEL AUTHORITY OF INDIA, ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION AND PUBLIC FINANCIAL INSTITUTIONS ARE TO SHARE EUQALLY IN THIS EQUITY.

4. ON THE POSITIVE SIDE WE ARE TOLD THAT THE SELECTION OF LURGI FOR THIS PROJECT DOES NOT RULE OUT THE ADOPTION OF AC'S TECHNOLOGY FOR SUBSEQUENT SPONGE IRON PLANTS.GOHEEN

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IRON, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 13-Sep-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977NEWDE12847  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770331-0694  
**Format:** TEL  
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**Litigation History:**  
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**Message ID:** 1ddd7f47-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 NEW DELHI 11986  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 1295331  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOI PICKS LURGI FOR SPONGE IRON PROJECT  
**TAGS:** EMIN, IN, UNIDO  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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